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SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Aftermath of Winograd Probe Into 2nd Lebanon War

Key stories in the media:

All media reported that, following last night's mass protest rally at Tel Aviv's Rabin Square, which was attended by above 100,000 Israelis, PM Ehud Olmert does not intend to resign, but to fix

failures. The media quoted prominent liberal author Meir Shalev as saying at the gathering: "Prime Minister Ehud Olmert, you said you worked for us. You are fired!" The Jerusalem Post quoted sources close to Olmert as saying on Thursday that the key to Olmert remaining in power lies not with the politicians in his party and coalition or the masses in the square, but with the five members of the Winograd Commission. Leading media reported that Olmert's associates downplayed the demonstration, saying it was irrelevant" as long as there was no chance of the Knesset unseating the PM. The Jerusalem Post quoted Olmert associates as saying that the unity among Right and Left in the square was meaningless if the two sides could not agree on an alternative to Olmert. Ha'aretz wrote that Olmert and Kadima leaders fear that the public outcry over the Winograd report could force the Labor Party to quit the government even before its primaries at the end of the month. Ha'aretz said that moves at Labor to abandon Olmert are expanding. Ha'aretz quoted Olmert's aides as saying on Thursday that the coalition's test will be its ability to survive until June, when Labor's second round of primaries is due. Ha'aretz quoted Labor Secretary-General Eitan Cabel, who resigned from the cabinet this week, as saying that he would convene the party's central committee on May 13 to vote on quitting the government. The central committee will be asked to vote on proposals ruling out a partnership in an Olmert-headed coalition, but not in a government headed by another Kadima member. Yediot reported that Meretz-Yahad Chairman Yossi Beilin is working behind the scenes to replace Olmert with his former close friend, Vice PM Shimon Peres. According to Yediot, Beilin supports overthrowing the Olmert government, but he is opposed to new elections since there is no majority for this in the Knesset. Beilin prefers that Kadima place Peres at its head -- a step that would receive the support of the Meretz movement.

The Jerusalem Post reported that a US-Israel strategic dialogue originally scheduled for this month in Washington has been postponed, apparently because of the political situation here. The newspaper reported that FM Livni will leave for a trip to Cairo on May 10 and host German FM next week, who will also be meeting Olmert.

Ha'aretz reported that senior Israeli officials fear a confrontation with Washington over a document of benchmarks it has presented to Israel and the PA setting a detailed timetable for measures each side must implement. The document, which Ha'aretz (English Ed.) prints in full, sets a schedule for removing roadblocks and opening passages in the territories and upgrading the Palestinian forces loyal to PA Chairman [President] Mahmoud Abbas. Israel is also urged to approve requests for weapons, munitions and equipment required by defense forces loyal to Abbas. Secretary of State Condoleezza Rice is to arrive on May 15 to discuss implementing the plan. This morning Israel Radio reported that her visit might be postponed because of the political situation in Israel. Ha'aretz said that officials in the defense establishment object to several issues in the document, especially the demand to expand the operation of the passages in the Gaza Strip and the removal of many roadblocks in the West Bank. Ha'aretz cited the belief of those officials that the benchmarks involve security risks. Ha'aretz said that Israel has not responded officially to the document and an inter-ministerial discussion on it was postponed on Thursday. Olmert's bureau is still waiting for the positions of the defense establishment, Foreign Ministry and Shin Bet vis-a-vis on the plan. The document, which Ha'aretz has obtained, sets a rigid timetable for implementing measures on either side. It was written by the US security coordinator, Maj. Gen. Keith Dayton, US Ambassador to Israel Richard Jones, and US Consul-General in Jerusalem Jacob Walles. According to Ha'aretz, it was sent to Washington, where it was approved by Secretary of State Rice before it was presented to Israel and the PA. However, both Israel and the PA's official answer to the document are still pending. Ha'aretz reported that Palestinian sources told the newspaper that the PA has accepted the document, but that it fears that Prime Minister Ehud Olmert will sabotage the turning of it into an agreement due to his precarious political situation. If both sides accept the document, it will become a binding agreement.

All media reported that on Thursday Secretary Rice met with Syrian FM Walid Muallem during a regional conference in Sharm el-Sheikh, in the first high-level talks between the two countries in years. The Jerusalem Post quoted GOI sources in Jerusalem as saying that there

was nothing in the talks that needed to concern Jerusalem. Asked if there was any concern that the US would be open to paying for Syrian cooperation on Iraq in Israeli currency, one senior Israeli official was quoted as saying by The Jerusalem Post: "Not this US administration." Yediot quoted Israeli diplomatic officials who support talks with Syria as saying that Israel can talk with Syria if the US did so on Thursday.

The Jerusalem Post reported that senior Israeli defense officials have told the newspaper that Egypt has expressed newfound interest in allowing Israel to construct a moat along the Philadelphi Route separating the Sinai desert from the Gaza Strip to combat Palestinian weapons smuggling.

The Jerusalem Post reported that Israeli defense officials have told the newspaper that Israel and the Lebanese government are close to reaching a deal according to which the IDF will completely withdraw from the northern part of Ghajar, a village straddling the Israel-Lebanon border.

Ha'aretz printed a Reuters wire report quoting European officials as saying that the EU and Palestinian Finance Minister have agreed to start making regular payments to Palestinian workers at the same time each month. The Jerusalem Post reported that South Africa's Intelligence Minister, Ronnie Kasrils, on a trip to Gaza, invited Palestinian PM Ismail Haniyeh to South Africa,, in what would be Haniyeh's first trip outside the Muslim world.

The Jerusalem Post cited a report by a Palestinian human rights group that attacks on Palestinian journalists in the West Bank and Gaza Strip by PA security officers and outlaw militiamen increased significantly last month.

Israel Radio quoted John Rood, Assistant Secretary of State for International Security and Nonproliferation, as saying on Thursday that Iran may obtain long-range missiles -- capable of striking the US -- in eight years. The radio reported that Daniel Fried, Assistant Secretary of State for European and Eurasian Affairs, cited similar intelligence estimates. The Jerusalem Post reported that on Wednesday the Florida legislation became the first state government to pass a bill for divestment from Iran. It passed unanimously, and, with its strong bipartisan backing, is expected to be signed by the Governor.

Ha'aretz (English Ed.) reported that 93.6 Ram FM, an English-language radio station based in Ramallah, financed by a Jewish South African, and licensed by the PA, is now being broadcast on the Internet (www.ramfm.net). The station aims to provide a platform for "peaceful dialogue" and includes hourly news updates on Palestinian and Israeli issues, as well as Western pop music. The station began its official broadcast two months ago and is based on the popular South African radio station, 702 Talk Radio, which the station's founders believe played a key role in the transition from the country's apartheid regime to democracy.

Ha'aretz (English Ed.) reported that this week Jewish residents of areas bordering the East Jerusalem village of Jabal Mukaber came out in support of their Palestinian neighbors with a "concert of hope." The event was organized with the objective of showing solidarity with the residents of the Sheikh Sa'ad neighborhood, which may be cut off from the rest of the village because of the controversial separation barrier. Pulled together by the Arab-Jewish Center of Jabal Mukaber, which operates under the slogan "neighbors to neighbors," the concert and reception drew some 300 people, half Jewish and half Palestinian.

The Jerusalem Post reported that on Wednesday the judge in the trial against former AIPAC (American Israel Public Affairs Committee) staffers sternly chastised the prosecution for delaying the trial, after the USG asked for more time to decide how it will proceed in the case.

Yediot reported that TIME Magazine placed FM Livni on its list of the "most influential people in the world."

Maariv reported that British intelligence kept watch over then right-wing leader Menachem Begin for years after the establishment of Israel.

Maariv reported that "R.," a staffer at Israel's Consulate-General in New York, took part in homosexual porn films at night while performing his diplomatic job during the day.

Maariv reported that businessman Lev Leviev has become Israel's wealthiest man, leaving behind Sheri Arison and the Wertheimer family.

Maariv printed the results of a TNS/Teleskop Polling Institute survey:

- "Is military or security experience a necessary condition for serving as a prime minister in Israel?" Yes: 54 percent; no: 42 percent.

- "Following the publication of the Winograd Commission's report, do

you have confidence in the ability of the IDF to win the next war, should it break out?" Great confidence: 80 percent; little confidence: 11 percent; no confidence: 5 percent.

Aftermath of Winograd Probe Into 2nd Lebanon War:

Summary:

The conservative, independent Jerusalem Post editorialized: "[Thursday night's rally] was ... a plea from across the nation for the Prime Minister not to impose himself any longer on the people."

The independent, left-leaning Ha'aretz editorialized: "[Shimon Peres] must have the courage to bring the tenure of the Prime Minister to an end, and only then take on the temporary leadership of the country."

Senior columnist Nahum Barnea wrote on page one of the circulation, pluralist Yediot Aharonot: "This is not the crowd that will come and demonstrate again next week, and the week after, until it topples the government.... [And] if the demonstrators knew that instead of Olmert they would get Netanyahu, it is unlikely they would have come."

Diplomatic correspondent Ben Caspit wrote in the popular, pluralist Maariv: "Olmert wants to create the impression that he ... will arrive at the ceremony for his political hanging in August with as much credit as possible."

Diplomatic correspondent Aluf Benn wrote in Ha'aretz: "In its convoluted language, the [Winograd] Commission determined that Israel did not make a serious effort to achieve peace with its neighbors."

Senior columnist and chief defense commentator Zeev Schiff wrote in Ha'aretz: Hassan Nasrallah sized up the situation correctly. He saw the two fronts against Israel -- Palestinian and Lebanese -- as a single unit."

Deputy Managing Editor and right-wing columnist Caroline B. Glick wrote in The Jerusalem Post: "If we wish to win the next war, replacing the government will be insufficient. We also need to dump the leftist narrative of peace which brought us both our current crop of failed leaders, and last summer's defeat."

Washington correspondent Shmuel Rosner wrote in Ha'aretz: "Like many residents of Israel, [senior US officials] waxed nostalgic this week, more than ever, about the days of Ariel Sharon."

Block Quotes:

II. "A Plea From the People"

The conservative, independent Jerusalem Post editorialized (5/4): "Prime Minister Ehud Olmert and his backers in Kadima have taken every failure and criticism and attempted to transform them, judo-style, into another reason to stay in office. According to Olmert's logic, Winograd said we failed, so who better than us to

fix the failures? The easy thing, Olmert says, would be to resign, rather than take responsibility. This is Orwellian. In the real world, resigning, not clinging to power, is how a leader takes responsibility for profound failures. Having turned the concepts of responsibility and accountability on their heads, Kadima is now trying to do the same for democracy as well.... The masses in the square last night came from left and right, from the whole width of the Israeli demographic.... It was ... a plea from across the nation for the Prime Minister not to impose himself any longer on the people. In this context, the political Left deserves substantial credit... [It] urged the public to go [to the rally], knowing that the consequence could well be a government that, according to their lights, might move the country in the wrong direction.... The depth of the crisis has indeed awakened the public from its slumber."

II. "Peres's Responsibility"

The independent, left-leaning *Ha'aretz* editorialized (5/4): "The Deputy Prime Minister and Foreign Minister, Tzipi Livni, who until Wednesday was seen as the natural successor to Olmert, opted for a secure spot on the fence.... It is unfortunate that the Vice Premier, Shimon Peres, joined the choir of ministers holding on to the bizarre argument that a leader who directed such a failed war is the right person in a post where every day a decision could be made to go to war again. According to the Winograd report, Peres was the only one among the ministers who did not behave like a rubber stamp to the plans the IDF presented, and he warned that the plan put forth by then chief of staff Dan Halutz for an offensive against Hizbullah seemed 'myopic, routine and expected.' The veteran statesman recommended to look into the broader context of the operation in the North and respond in a creative way, without overestimating Israel's power.... The Winograd report confirms the advantage inherent in Peres' enormous experience. The order of the day is to stabilize the political system after Olmert is removed. That is the double challenge facing Peres. He must have the courage to bring the tenure of the Prime Minister to an end, and only then take on the temporary leadership of the country."

III. "The Numbers are the Message"

Senior columnist Nahum Barnea wrote on page one of the circulation, pluralist *Yediot Aharonot* (5/4): "The crowd that arrived last night at the square [in Tel Aviv] was amazingly democratic, pure intentioned, and patently unthreatening. People clapped, called 'Olmert resign,' bore signs that were restrained in their language that were given to them by the organizers or that they prepared at home, and listened politely to the speeches on the stage. This is not the kind of crowd that takes to the barricades. This is not the crowd that will come and demonstrate again next week, and the week after, until it topples the government. It is odd to say about the Israeli public, particularly the Israeli public, that it is naieve. And yet, for good and for bad, the people who came to demonstrate last night were naieve. For good, because what they knew about the war and what they read in the Winograd report, truly offended them. They wish for a better government, a cleaner, more effective government. For bad, because the majority of them came without thinking about what the political outcome of their battle would be. It is easy to demand the ouster of the Prime Minister but the real challenge is to change the rules of the game, the political culture, the quality of government. If the demonstrators knew that instead of Olmert they would get Netanyahu, it is unlikely they would have come."

IV. "Olmert's Sigh of Relief"

Diplomatic correspondent Ben Caspit wrote in the popular, pluralist *Maariv* (5/4): "The Prime Minister takes to heart every single citizen that went to demonstrate against him. He is not happy. But on the other hand, he also is not over. 'I'll get through this safely,' Olmert told his aides, but his advisers are still very worried. They believe that they got through the earthquake, but that no less dangerous aftershocks can be expected, and that the minutes of the testimony to the Winograd Commission are the next shock. According to a few sources, Olmert can expect to be embarrassed by his harsh criticism of his predecessors, including Sharon, in his testimony.... Olmert wants to create the impression that he is implementing the conclusions of the committee with determination and sensitivity, so that he can arrive at the ceremony

for his political hanging in August with as much credit as possible.

Who knows, may he will able, with this credit, to redeem himself -- if not to the public, at least to a judge."

IV. "Don't Give In"

Diplomatic correspondent Aluf Benn wrote in Ha'aretz (5/4): "This is the most interesting and thought-provoking paragraph in the entire interim report published by the Winograd Commission: In its convoluted language, the commission determined that Israel did not make a serious effort to achieve peace with its neighbors, due to its faith that it was invincible and that the Arabs would not dare challenge its military superiority. The commission takes issue with the premise that has guided Israeli defense policy since 1991 at least, which is that the era of the big wars is over, and that the threats of the future are the Iranian nuclear bomb, Katyusha and Qassam rockets, and suicide bombers.... This week, in the shadow of the storm, no one was focusing on strategy or diplomatic processes. But once the political dust settles, and a new government takes hold in Jerusalem, its leaders ought to give this paragraph of the Winograd report a careful reading. Perhaps they will learn some lessons from it for the future."

VI. "The Conspicuously Absent Issue"

Senior columnist and chief defense commentator Zeev Schiff wrote in Ha'aretz (5/4): "From the [Winograd] report, it emerges that the Palestinian front imposed constraints on the IDF in its battle with Hizbulah. In view of the situation in the territories, the IDF transferred some of its finest infantry units from the North. Little by little, Israel lost its power of deterrence against Hizbulah. Even worse, Hizbulah ended up deterring Israel. A kind of mutual deterrence was created. Israel's warnings to Hizbulah remained empty threats.... Hassan Nasrallah sized up the situation correctly. He saw the two fronts against Israel -- Palestinian and Lebanese -- as a single unit."

VII. "The Fruits of Hizbulah's Victory"

Deputy Managing Editor and right-wing columnist Caroline B. Glick wrote in The Jerusalem Post (5/4): "What comes across most clearly in the Winograd Report is the commission members' desire to ignore the fact that the Second Lebanon War was a war of ideas no less than a war on the battlefield. Last summer Israel had the opportunity to expose the truth about the nature of the war being fought against it. It had the opportunity to assert itself as a vital ally of the US. It had the chance to defeat the leftist narrative of peace which claims that there is no difference between the IDF and the terror forces attacking Israeli society and so there is no reason to seek to defeat them; and which claims that the war against Israel is not connected to the global jihad. It is too early to know how the political drama now unfolding in Israel will pan out. But what Rice's current misdirection of the war on all fronts, and the emboldening of Israel's enemies and the forces of global jihad throughout the world show clearly is that last summer Israel lost two wars, not one. And if we wish to win the next war, replacing the government will be insufficient. We also need to dump the leftist narrative of peace which brought us both our current crop of failed leaders, and last summer's defeat."

VIII. "Reality Overtaken by Events"

Washington correspondent Shmuel Rosner wrote in Ha'aretz (5/4): "The Prime Minister is the usual and natural choice in the Israeli government for dealing with the American file. The ambassador to Washington, Sallai Meridor, is Olmert's emissary; that was made absolutely clear this week when Meridor, only an hour after his minister declared that in her opinion Olmert should go home, said at a public event that he 'personally' actually hopes that Olmert will survive the crisis. Under these circumstances, and at a time when the Prime Minister is so weak, the Americans are concerned mainly about the vacuum that will exist until Olmert's fate is decided, either way. Livni has an excellent reputation in Rice's office and among her staff -- at least that is the impression that they are trying to create -- but not necessarily in other government departments in the US capital. Senior American officials close to the leadership, who gossiped this week about events in Israel, did not conceal a hint of condescension when discussing Livni. Not that

they like Olmert so much: They too, like many residents of Israel, waxed nostalgic this week, more than ever, about the days of Ariel Sharon."

JONES